



December 14, 2020

Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Re: Docket No. **RU-00000A-19-0132**

In the Matter of Proposed Modifications to the Rules Regarding Termination of Service.

**AARP RESPONSIVE COMMENTS TO
STAFF'S REVISED DISCONNECTION RULES PROPOSAL**

AARP is pleased to provide additional comments in this Arizona Corporation Commission ("Commission") rulemaking case in response to the Commission Staff's revised draft proposal of rules relating to the terms of disconnection for regulated Arizona electric and natural gas utilities ("Revised Staff Proposal"), filed on November 27, 2020. It is obvious that the Staff has listened to the stakeholders in this matter and made important changes to its original draft in August 2019. Overall, AARP is supportive of the most recent Staff draft, and we urge the Commission to take quick action to promulgate these stronger consumer protections into the state's permanent residential billing rules.

As you may know, AARP has approximately 900,000 Arizona members, and fair and reliable utility rates and reliable service is a priority for these older consumers, particularly during extreme weather. Many of our members live on fixed incomes. Some



members struggle with the inability to pay their utility bills, and are more vulnerable to falling behind in their utility payments. The prospect of disconnection from an essential utility service can be a matter of life and death and deserves an abundance of caution, and especially so as the COVID-19 pandemic is hitting the 50+ population particularly hard. The Commission is justified in establishing a set of billing rules that which provides consumer protections for all customers and which gives every reasonable accommodation to the health and safety of vulnerable consumers.

AARP generally supports the Revised Staff Proposal for modifications to A.A.C. Rule R14, Chapter 2, Articles 2 and 3, which addresses limitations on "Termination of Service".¹ AARP makes comments on specific rules changes as follows:

- "Inability to Pay" [New R-14-2-201.17 and New R-14-2-301.19]

AARP supports the new proposed definition, including the new addition of having a "medical condition that makes termination of electric service especially dangerous to the customer's health".

In these provisions, AARP also supports the Staff's proposal to set eligibility at 200% of poverty level, which is more inclusive of consumers in need, and would make these rules more consistent with other programs in Arizona and in other states.

¹ November 23, 2020 Staff Memorandum.

- Medically Necessary Devices [New R-14-211(A)(5)]

AARP supports the Staff language placing broader restrictions for electric customers who rely upon "medically necessary devices", and granting the flexibility to have any medically certified practitioner provide the supporting documentation for this added protection.

- Underbillings [New R-14-211(A)(4) and New R-14-311(A)(4)]

AARP opposes this particular Staff proposal because of the potential for unfair terms that could be set up for a customer to pay as a result of a utility's faulty meter reading. It appears that the Revised Staff Proposal would give the utility all control over the allowed payback periods to correct an underbilling. Staff proposes the following language:²

A utility shall not terminate service to a customer due to the customer's failure to pay the portion of a bill imposed to correct a previous underbilling due to all inaccurate meter or meter failure provided that if the customer agrees to pay the portion of the bill attributable to correction of underbilling over a [*here deleting the word "reasonable"*] period of time [*adding the words "established by the utility."*]

AARP believes that the utility, which has allowed the underbilling to occur, should have the final say in how long the payback period should be for the customer to

² Revised Staff Proposal, p. 6 and pp. 23-24.



pay up to the correct amount owed to the utility. While in most instances the terms of payback offered by a utility may be reasonable, the Commission's billing rules should set a minimum standard for a just and reasonable payback period. Suggested standard: AARP suggests that the period of payback for incorrect underbillings "shall be 12 months, or for the same the period of time that the underbillings took place, whichever is longer." A customer should be given at least as long to correct an underbilling mistake by the utility as it took the utility to discover the problem.

- Disconnection Procedures [New R-14-211(A)(6) and R-14-311(A)(6)]

AARP strongly supports the new language that details the procedures and protocols for ensuring that adequate notice of energy shut-offs takes place. It is essential to public health and safety that such multiple attempts at notification be made, including the provisions for attempting in-person notification (door knock safety checks) prior to disconnections.

As Arizona knows well, such protections have the potential to prevent tragedy and to help identify serious problems with vulnerable customers that need addressing prior to service disconnection.



- Extreme Weather Protections [New R-14-211(A)(11) and R-14-311(A)(12)]

AARP supports the manner in which the Revised Staff Proposal sets out a comprehensive set of extreme weather protection provisions for periods of time that pose a health and safety risk. The proposed times that terminations would be prohibited include:

- Any period of time for which the National Weather Service has issued a heat advisory or winter weather advisor in the area of the customer's service address;
- Any period of time for which the National Weather Service indicates that the weather in the area of the customer's service address will include temperatures that do not exceed 32° F;
- Any period of time for which the National Weather Service indicates that the weather in the area of the customer's service address will include temperatures that exceed 105° F;
- Any period of time that the Commission has determined to be especially dangerous to health; and
- For electric utilities only, during the period of June 1 through October 15 of each year.³

In this proceeding, AARP has supported a 95° F weekly limit on terminations; however, combining a 105° F degree daily moratorium with a summer-long

³ Revised Staff Proposal, pp. 8 and 25.



moratorium would also appear to be reasonable and appropriate for the state of Arizona.

It should be noted AARP has also proposed a variety of suggestions for improving the terms for deferred payment plans and suggestions for improving the clarity and understandability of residential utility bills. These issues have been given appropriate attention in other Commission proceedings.

Conclusion

The various stakeholder meetings and hearings that the Commission has held over the past year and a half have been informative and productive. AARP looks forward to a Commission rulemaking order that brings these important changes to a conclusion. We hope that the Commission and its Staff continues to consider AARP a helpful resource as it weighs these important consumer protection issues.

Sincerely,

A handwritten signature in blue ink that reads "Dana M. Kennedy". The signature is fluid and cursive, with the first name "Dana" being the most prominent.

Dana M. Kennedy
State Director,
AARP Arizona